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EXAMINING THE RELATIONSHIP OF MICROFINANCE TOWARDS POVERTY



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UNIVERSITI UTARA MALAYSIA
2019

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UUM
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Thesis submitted to
School of Economics, Finance and Banking
Universiti Utara Malaysia
in Partial Fulfillment of the Requirement for Master of Economics



**Pusat Pengajian Ekonomi,
Kewangan dan Perbankan**
SCHOOL OF ECONOMICS, FINANCE, AND BANKING

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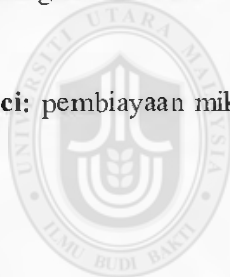


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ABSTRAK

Kemiskinan merupakan suatu isu yang bukan sahaja menjadi isu utama di dalam sesebuah negara tetapi ia merupakan suatu isu global yang masih lagi tidak dapat diselesaikan sehingga hari ini. Kemiskinan adalah suatu isu dunia yang mana ia adalah suatu keadaan trauma dan akan menyebabkan kehilangan sifat-sifat keperimananusiaan. Terdapat pelbagai cara dan langkah yang telah diambil oleh kerajaan di dalam membasmi kemiskinan dan salah satunya ialah pembiayaan mikro (*Micro finance*). Dalam konteks sebegini, kerajaan telah melaksanakan pelbagai langkah di dalam membasmi kemiskinan di dalam negara dengan menyediakan pelbagai ruang dan peluang ekonomi melalui sumber kewangan. Walau bagaimanapun, usaha tersebut tidak menunjukkan perkembangan yang positif dan kemiskinan masih lagi menjadi isu yang tidak dapat diselesaikan di kawasan bandar dan luar bandar. Objektif kajian ini adalah untuk mengkaji keberkesanan pembiayaan mikro di dalam mengurangkan kadar kemiskinan di dalam negeri Kedah Darul Aman. Hasil kajian mendapati bahawa kesemua pembiayaan mikro mempunyai kesan yang signifikan terhadap kemiskinan. Kajian ini penting untuk penyelidikan akademik, penggubalan dasar dan perancangan ekonomi.

Kata kunci: pembiayaan mikro, ekonomi, kemiskinan, Malaysia



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ABSTRACT

Poverty is an issue that is not only a major issue in any country but is a global issue that remains unresolved to this day. Poverty is a world issue in which it is a state of trauma and will result in the loss of human nature. There are various steps and steps taken by the government in eradicating poverty and microfinance is one of the steps taken by government nowadays. In this context, the government has taken various steps in eradicating poverty in the country by providing economic opportunities through financial resources. However, these efforts have not shown any positive growth and poverty remains an unresolved issue in both urban and rural areas. The objective of this study was to study the effectiveness of micro financing in reducing poverty in the state of Kedah Darul Aman. The results showed micro financing has a significant impact on poverty. This study is important for academic research, policy formulation and economic planning.

Keywords: micro financing, economy, poverty, Malaysia.



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ACKNOWLEDGEMENT

Immeasurable appreciation and deepest gratitude to the almighty Allah who is obviously the one has always guided me to work on the right path of life. I would like to take this opportunity to extend my deepest appreciation and thankful to my supervisor Associate Professor Dr. Siti Hadijah Che Mat for her continuous effort, dedication and support, it enable me to complete the project paper on time.

I would also like to express appreciation to my lovely wife, Mrs. Nurul Husna Mohd Noh, for the unconditional support and motivation that has given me throughout my studies and my gratitude to my kids, Puteri Ainul Mardhia, Puteri Ainul Nabihah, Puteri Ainul Nasuha and Mior Amir Muaz, to my parents, Haji Nordin Haji Md Yusof and Sharifah Hapizah Syed Ahmad Tajudin for their unfailing of moral support and co-operation throughout my studies.

Last but not the least, thanks a lot to all those have directly and indirectly contributed in making this project paper possible. All your good deeds, I will never forget until the end of life. Thank you.



TABLE OF CONTENTS

PERMISSION TO USE	ii
ABSTRAK	iii
ABSTRACT	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	viii
 CHAPTER ONE: INTRODUCTION	
1.1 Introduction	1
1.2 Poverty in Malaysia	3
1.3 Poverty Eradication Programs in Malaysia	6
1.4 Problem Statements	8
1.5 Research Objective	11
1.6 Research Questions	11
1.7 Significant of The Study	12
1.8 Scope of Study	12
 CHAPTER TWO: LITERATURE REVIEW	
2.1 Introduction	14
2.2 Micro-finance	14
2.2.1 Characteristics of Microfinance	16
2.2.2 Review of Empirical Literature on the Impacts of Microfinance	17
2.3 Microcredit and Poverty Eradication	23
2.4 Poverty	27
2.4.1 Definition of poverty	28
2.4.2 The poor population	29
2.4.3 The Poverty Line	32
2.6 Underpinning Theory– Marxist Theory on Poverty	34
2.7 Summary	36
 CHAPTER THREE: METHODOLOGY	
3.1 Introduction	37
3.2 Population and Sample	37
3.3 Data Collection Method	38
3.4 Questionnaire	38
3.5 Data Collection Process	38
3.6 Research Framework	39
3.7 Hypotheses Development	39
3.8 Development of The Instrument	40
3.9 Summary	40

CHAPTER FOUR: FINDINGS

4.1	Introduction	41
4.2	Respondents Feedbacks	41
4.3	Demographic Analysis	42
4.4	Reliability Analysis	48
4.5	Correlation Analysis	49
4.6	Regression Analysis	52
4.7	Conclusion	53

CHAPTER FIVE: DISCUSSION AND FINDINGS

5.1	Introduction	54
5.2	Discussion on Findings of the Study	54
	5.2.1 Inferential Analysis	54
5.3	Implication of the Study	57
5.4	Limitation of Study	59
5.5	Recommendation	59
5.5	Conclusion	60

REFERENCES



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LIST OF TABLES

Table 1.1	Poverty in Malaysia
Table 1.2	Evolution of Welfare Regime Since 1957
Table 1.3	Numbers of borrowers based on loan amount (2017)
Table 1.4	Number of head of Household in Kedah (2014-2017)
Table 2.1	Review of Empirical Literature on the Impacts of Microfinance
Table 2.2	The development of the concept of poverty
Table 3.1	Hypotheses development
Table 4.1	Questionnaire Feedbacks
Table 4.2	Frequency and Percentages of Genders
Table 4.3	Frequency and percentages of Religion
Table 4.4	Frequency and Percentages of Age
Table 4.5	Frequency and Percentages of Racial
Table 4.6	Frequency and Percentage of Education Level
Table 4.7	Frequency and Percentage of Marital
Table 4.8	Frequency and Percentage of Income
Table 4.9	Frequency and Percentage of Numbers of Family Members
Table 4.10	Frequency and Percentage of Children Still in School
Table 4.11	Frequency and Percentages of Numbers of Children
Table 4.12	Reliability
Table 4.13	Pearson Correlation Analysis
Table 4.14	Regression Analysis
Table 5.1	Hypotheses Results

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter will discuss on the poverty in Malaysia generally and Kulim District in particular as the objective of the study is to study the poverty eradication. The study will discuss on the elements which leads to poverty eradication in Kulim, Kedah, and problem statement, significant of study, research objective and scope of study also will be discussed in this chapter.

The study on the poverty in Malaysia can be seen in November 1923 in the article written by Zainal Abidin bin Ahmad (Za'ba) in responding to two issues in Malay Mail newspaper titled "A Civic Sense". In the article written by him, Za'ba has emphasized on the poverty of economical material and poverty of non-material such as moral or spiritual poverty. However, research on the poverty is not so prominent due to the constraints and restrictions of the British at that time until Malaya gained independence nonetheless poverty studies led by Ungku A. Aziz only began in the 1950's.

The systematic and coherent implementation of New Economic Policy is the beginning of the government's desire in eliminating poverty during that time as World Bank is classified as an upper middle-income country. The achievement of microfinance in Malaysia can be seen in the approach taken in alleviation of poverty as an approach from the NEP from 1971 to 1990. The implementation of NEP was to reducing poverty level and income disparities between the ethnic groups in improving Bumiputera position. Bumiputera are

the indigenous peoples of Malaysia but they were seen as economically disadvantaged compared to Chinese during that time.

Microfinance is a term used to describe different methods that give poor people access to financial services so as to engage viable economic activities to generate income. Haruna (2007) defined microfinance as the provision of credit, savings and other financial services to low income earners so as to generate more income. It is considered distinct from the intermediation of the formal financial sector because it specifically targets low income people who lack access to credit for their income generation or production activities. The cost of administering large number of very small loans without collateral is considered by deposit money banks to be prohibitive. As a result, poor people are effectively being denied access to formal credit. Thus, underlying objective for employing microfinance as poverty reduction strategy is to assist the economically active poor who cannot make savings, accumulate asset or invest in any meaningful income generating activities that would help them to escape from the circle of poverty

Despite of all the efforts has been taken into accounts in alleviating the poverty in Malaysia, the poverty level in Malaysia still not achieve desired achievement although various efforts such as subsidies, agricultural input and the establishment of various government agencies such in order to increase income and reduce poverty.

1.2 Poverty in Malaysia

As we now, as a country with multi-racial ethnic with more than 28 million people, which population dominated by three main ethnics; Malay, China and India. Malaysia has able to transform the status of the country from less developed country into a developed country status. The development of Malaysia economic shows that it has experienced rapid growth despite the challenges from external factors whilst it also able to fight against the poverty issues since the Independence Day in 1957. Despite of the success in the poverty reduction, there are still some of the vulnerable group of people who are still experiencing the poverty due to the geographical and social reasons which makes them still in the state of poverty until today. This shows that, the poverty issues remained as the crucial issues that need to be enlightened in this country as some of the policy makers do not take this as a serious matter.

This study has several purposes which need to be enlightened as well; the description of the poverty nature itself, programs and policies in alleviating poverty and analyzing the challenges and recommendations in reducing poverty level in Malaysia. However, defining the term of poverty is not hard as defining the terms in the operational definition. Poverty can be considered as combination of some aspects that would focus on the arguments on lack of income and it is not limit to unilateral phenomena. The term poverty can be referred as opposite social and psychological impacts such as domestic violence, delinquency, inability to invest socially and problems in expanding human capital, providing unfair services and weak political participation.

In addition to the term of poverty, poverty definition is country-specific in general while according to the World Bank's it can be referred as "dollars per day" or unsuccessful

income nonetheless some of the country recommended to use national poverty lines. Some of the countries has adopted this practice since year of 2005 as reported in the Millennium Development Goals (United Nations, 2011). On the other hands, Malaysia came out with its own poverty line in year of 1970 which poverty has been given high priority of attention in alleviating the poverty itself. As the poverty has been part of the crucial issues in developing Malaysia since the independent day, the government has practice its own poverty line in evaluating the minimum requirements for the country household.

There are some adjustments on poverty especially on the average size of households and the cost living on the Malaysia regions. Nevertheless, no adjustment has been taken for rural or urban location and the results were made based on the three regional according to the poverty line yet every adjustment made for inflation and change due to household size since Malaysia has adopted the poverty line since the year of 1976 to 2004. The income of the household is the reference to determine poverty state even though consumption has defined poverty line in the previous studies. According to UNDP (2006) in Camilla (2010), poverty line is the indicator of income and the measurements of the poverty also it needs to be constructed and adjusted for different locations within a country.

The revised poverty line will be applied to each household in each state in Malaysia and urban or rural location, another thing that will be counted is the cost of living, the composition of the household and size. The new poverty line also will define the state of extreme poverty or hard-line poverty as households with incomes below the poverty line or households that does not meet the minimum requirements of their household. In 2009, the average national poverty line translates into RM6.50 per percapita a day that is not adjusted (Hatta & Ali, 2013).

At the moment, no new reviewed on the income which can be considered as different size of household, classifications which developed and less developed area. The general descriptions for each home can be considered in measure Poverty Line Income which it will includes the residents number, location and demographic aspects. The characterization of the poverty line can be seen at the minimum expenditure level that could be considered as a reasonable life and the Consumer Price Index that will be updated every year. On top of that, there are two different PLI which adopted in order to discover the disparity in the cost of living and home size between peninsula of Malaysia, Sabah and Sarawak.

Table 1.1
Poverty in Malaysia

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	122.9	0.4	2015
International Poverty Line 3.3 in Malaysian ringgit (2015) or US\$1.90 (2011 PPP) per day per capita	3.2	0.0	2015
Lower Middle Income Class Poverty Line 5.6 in Malaysian ringgit (2015) or US\$3.20 (2011 PPP) per day per capita	72.1	0.2	2015
Upper Middle Income Class Poverty Line 9.6 in Malaysian ringgit (2015) or US\$5.50 (2011 PPP) per day per capita	823.0	2.7	2015

Source: (World Bank, 2018)

Besides that, Malaysia is one of the country in the world which is very successful in the alleviating poverty since 1957. Poverty in Malaysia indicate lower percentage and it continuing to decrease the percent approximately 0.4 percent of Malaysian household living with below the national poverty line in 2015. The International Poverty Line was 0.00 percent in 2015 nonetheless the data show the poverty rates are higher in rural area especially in Kelantan, Sabah, Sarawak and Kedah states. The reduction of poverty was driven by GDP per capita 3.5 percent from 2011 to 2015 (World Bank, 2018).

1.3 Poverty Eradication Programs in Malaysia

Success of Malaysia in decreasing poverty level somehow showed some weak parts on population due to some negative conditions. Malaysia government has puts an effort in developing more inclusive approach which is the model of economic development. The capacity of Malaysia in eradication of socio-economic inequality was carried out by economic expands and providing subsidies to those in need at the same time. In achieving desired inclusion, the approach establishes two objectives: i) to provide opportunities that are equitable for all, and ii) to provide safety for community nets unfortunate people. Secondly, equality will be focused on basic well-being, schooling and organization which enable those in need in getting what they are supposed to have in the first place. In ensuring the increase of the specific revenue, specific support will help in increasing the revenue while general aids are being sent out. There are two kinds of characteristics can differentiate Malaysia than other country (Siddiqui, 2012):

- a. Community policy has faced regular and progressive development which should be thank to a favorable environment in a long period and sustained stability, unlike what has been experienced by many developing countries
- b. Strong government succession and a community division that is dedicated to improving Malaysian welfare.

Social policies, social protection systems and their importance in alleviating poverty within since 1957 to the present, can be analyzed in four phases: 1957-1980, Mahathir regime

1981 -1997, period of financial crisis 1998-2002 and the regime after 2003 under Prime Minister Abdullah Badawi.

Table 1.2
Evolution of Welfare Regime Since 1957

1957-1980	1981-1997	1998-2002	2003-present
Narrow 'welfare-state' style policies Public health programmes Free education Unemployment benefit State pension / EPF NEP (1970) Income support Broader 'welfare-state' style policies Land reforms FELDA, FELCRA, IADP Poverty eradication (rural)	Rigorous social policies Combat poverty Target Hardcore poor NGOs Involvement Microcredit -AIM Private Involvement Privatisation Moderate government expenditure	Financial Crisis: Effects Impact on the poor Inadequate social protection plans	'National Social Welfare' Ministry of Women, Family and Community Development Agriculture Productivity Zero-poverty target

Source: Mohd, 2012

Strategies designed in Malaysia to reduce poverty require several important things. The combination of ongoing prosperity and new momentum towards independent life is included in the strategy. As a result, capacity building has been improved and new programs have been introduced to respond to millions of vulnerable people. The evolution of welfare regime in Malaysia started since 1957 until present day nonetheless poverty is still critical issue in Malaysia although numbers of efforts have been taken by government as indicated in the Table 1.2 starting from National Economy Policies in 1970 until Zero-

poverty target in present day. In the period of time between 1981 until 1997, government has introduced Amanah Ikhtiar Malaysia in order to implement poverty alleviation in Malaysia nevertheless it still not succinct in the alleviation of poverty as economic recession in 1998 until 2002 has increased the poverty rate due to recession which had big impact on the poor.

1.4 Problem Statements

As Malaysia aimed to be a developed country by the year of 2020, Malaysia needs to reexamine their approaches in poverty reduction. Malaysia not only experience absolute poverty but also relative poverty which involves rural and urban as well as inequalities. Jayasooria (2015) emphasized that poverty eradication need to be comprehensively designed as the target of the poverty eradication are the poor that could become a major contributor to the development process. This is due to the some of the poor are not well-placed as this could lead too much confusion and miss a sizable section of the B40 (bottom 40% household income group) (Jayasooria, 2015). As shown in the Table 1.3, numbers of borrower indicated microfinance play significant roles in reducing poverty in different places as previous studies by Alooma, Msheliza and Adefila (2010), Akinlo and Oni (2012), Alooma (2010) and Awojobi (2014).

Table 1.3

Numbers of borrowers based on loan amount (2017)

No	STATE	< RM1,000	RM1,001- RM5,000	RM5,001- RM10,000	RM10,001- RM50,000	RM50,001- RM100,000	Numbers Of Borrowers
1	Johor	15,986	44,960	8,013	2,885	70	71,914
2	Kedah	5,307	13,360	5,078	2,452	13	26,210
3	Kelantan	6,259	6,847	681	15	0	13,802
4	Melaka	3,384	12,836	2,412	833	34	19,499
5	Negeri Sembilan	7,748	14,129	3,539	1,411	95	26,922
6	Pahang	7,590	23,375	7,029	1,720	10	39,724
7	Perak	11,048	24,894	3,101	1,228	70	40,341
8	Perlis	1,071	1,951	192	16	36	3,266
9	Pulau Pinang	5,377	16,715	4,189	1,473	79	27,833
10	Selangor	20,396	51,653	15,943	8,977	667	97,636
11	Terengganu	6,089	10,507	2,378	602	5	19,581
12	W. Persekutuan Kuala Lumpur	5,975	19,225	5,501	3,747	708	35,156
13	W. Persekutuan Putrajaya	0	4	2	7	1	14
TOTAL		96,230	240,456	58,058	25,366	1,788	422,671

Source: Lenders and Mortgage Holders Division

Table 1.4
Number of head of Household in Kedah (2014-2017)

Category	Head of Household			
	2014	2015	2016	2017
Poverty	5,849	6,661	6,492	6,543

Source: Federal Development Office of Kedah State

As shown in the Table 1.3, numbers of borrowers in 2017 are 26 210 borrowers in Kedah and the highest range of loan amount in Kedah is between RM1,001-RM5,000. However, poverty rate in Table 1.4 indicated that the numbers increase from 5,849 in 2014 to 6,661 in 2015 but declined to 6,492 in 2016 and increase to 6,543 in 2017. Although the numbers of borrower are high but poverty rate is still at high numbers for Kedah.

In addition to the discussion on problem statements, the studies on the impact of microfinance has been questioned and some of the studies argued on the impact of the microfinance which has been divided into three types; positive, no impact and negative impact (Angelucci, Karlan, & Zinman 2013; Ganlea, Afriyie, & Segbefia 2015; Rooyen, Stewart & de Wet 2012). Angelucci et al. (2013), Rooyen et al. (2012) and Ganlea et al. (2015) scrutinized that microfinance is not a magic bullet in poverty reduction and it might have negative impact on poverty reduction although it has been widely recognized as a crucial tool in reducing poverty.

1.5 Research Questions

The overview of poverty which is the main point remain as highly relevant for the current issues which cannot be solved since Malaysia celebrated 61st Independence Day. The description of poverty which living below the poverty line shows there is a crucial need for the research on the poverty in Malaysia. Following the extended introduction on this thesis as below are the key research questions that are investigated in this study;

- a) Is there a positive relationship between microcredit and poverty eradication rate?
- b) Does microcredit reduce poverty rate in the communities?
- c) Does microcredit effective in alleviating poverty?

1.6 Research Objective

The general research objective of this study is to identify the relationship of microfinance towards poverty eradication programs in Kulim, Kedah. The specific objectives of this study are as follows:

- a) To identify the relationship between microcredit program and poverty eradication rate
- b) To analyze the impact of microcredit in reducing poverty rate.
- c) To determine the effectiveness of microcredit on poverty

1.7 Significant of the Study

The impact of microcredit program on poverty is an interesting yet crucial study which need to be emphasized in the future as the effectiveness to solve poverty issues that must be carried more aggressively. The finding on the study is very important for the government to justify and clarify which strategies will have good outputs in reducing poverty level. This is very important as it will contribute to the sustainability in socio-economic and socio-development. This thesis is expected to identify the relationship between microfinance towards poverty eradication programs. This study also expected to assess the contribution of microcredit towards poverty eradication and impacts of microcredit on health services, standard of living and expenditure of household. Thus, the findings of the study will help Kedah state governments to identify the major points and develop crucial plans in reducing the poverty levels among the youth in Kedah and this will also suggest steps which must be taken by the policy makers in Malaysia in encouraging more participation in reducing poverty levels.

1.8 Scope of Study

This study is to identify the relationship between microcredit towards poverty eradication whether the elements has a significant relationship reducing poverty rates. Scope of this study is small which it involved respondent in Kulim, Kedah. The numbers of sample for this study will be determined by using Krejcie and Morgan (1970) in order to get the correct numbers of sample for the study. This study will scrutinize on the literature review for

every variable involved in this study. Thus, the study will emphasize on the relationship between microcredit and poverty rate.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this section, the study will discuss on related studies regarding relationship among micro-finance and poverty. This chapter is divided into several sections which will emphasize on the literatures based on all elements.

2.2 Microfinance

Micro finance is a strategy for development of economics which objective to decrease level of poverty through services such as financial for targeted groups (low-income households) in order to gain financial market services. Financial market services are investments, loans, protection and services for human development, such as well-being, schooling, human authorization, skills achievement, training and protection of environment. However, this variable is not special point that can turn the poor into people who are not poor at night, their strategized some strategies and programs as bridge to abolish poverty over poverty line (Martin, Hulme & Rutherford, 2002).

Microfinance is a process to promoting loans to poor in financing small businesses and offers adequate revenue to meet user responsibilities. Microfinance programs designated to offer way out for low households and provide early credits to industrialists which offer facilities for instance savings and loans (country, agronomic and customer) (Osei, 2002).

On top of that, this service comprises expense and assurance to low level income (Copestake, Duvendack, Hooper, Loke, Palmer-Jones, & Rao, 2010).

Microfinance is a process to providing few monetary amenities in order to take advantage of original chances and join in fruitful actions. This a growth instrument which provides services provision such as transaction, investments chances and assurance amenities. This also means monetary and communal mediation. These programs contribute to a better living as it properly managed (Bashir et al., 2010; Muller & Bibi, 2010). Therefore, this phenomenon of economic that increases low-income potential. A microfinance operation can only prosper if customers comply with the payment schedule.

Empirical research has shown that repayment of the loan determines the quality of users and other factors such as education, the distance of the loan provider from the client's business, the quantity of the credit, the loan duration, the yield also danger of sanctions for debtors (Roslan & Abd Karim, 2009; Smith, 2010; Tang, 2002). It stated refund of the loan additional effective if institutions of micro finance relaxed the strict circumstances and gave programs succinct management with a real reimbursement process for the loan. This can also encourage adequate participation of the poor (Ali, A.H., Abu-Hadi, & Ali, 2013) such as the size of the loan, the volume, the shocks, the officer's experience and the duration of the training are considered the main determinants of the repayment of microfinance loans (Onyeagocha, Chidebelu, Okorji, Ukoha, Osuji, & Korie, 2012).

2.2.1 Characteristics of Microfinance

Microfinance is providing monetary services for unfortunate and low-income people along which recognized as effective tool for addressing deficiency in the world. In order to fully understand the characteristics of microfinance, it is very important to know its basic characteristics. Murty, Kiran, and Goel (2013) offers enough description of description on Micro finance products as follows:

- a) Less quantity of credits and investments.
- b) Short-term loan (maximum one year).
- c) Schedule and / or deposits for repayment of frequent and institutional loans.
- d) Both capital and interest include installments that are amortized over a period of time.
- e) Higher rate of interest
- f) Allows clients to comprehend financial and evaluation.
- g) Less process on application for commercial banks.
- h) Less time in processing the loan from commercial bank.
- i) Offers opportunities to customers whom completed their loans earlier.

Ones must acknowledge highlighted points above is what microfinance goods should own. Basically, microfinance aimed to reduce poverty levels through financial loans (credit loan, investments and others) in order to enhance low-income people.

2.2.2 Review of Empirical Literature on the Impacts of Microfinance

The researchers tried to assess the impact of microfinance on poverty reduction in several countries. In addition, financial institutions, donor agencies, NGOs and policy makers have shown considerable interest in understanding the effect of MFIs on the welfare of the poor.

Table 4 shows the results of these impact assessments.

Table 2.1

Review of Empirical Literature on the Impacts of Microfinance

Author/Date	Title	Country	Sample size	Methodology	Findings
B. Coleman (2002)	Microfinance in Northeast Thailand: Who Benefits and How much?	Thailand	Survey of 444 households in 14 villages in Northeast Thailand	Weighted t-tests and weighted logit estimates were used to analyse the data.	The wealthy people do participate in microfinance loan and become wealthier
E. Edgcomb & C. Garber (1998)	Practitioner-led Impact Assessment: A Test in Honduras	Honduras	144 respondents of loan participants and non-participants.	Survey method of comparing crosssectional data of banks clients and non-clients. It also include interview of village bank members and loan applicants. Simple statistical package and simple content analysis were used to analyse the data.	Increase of 75 percent on profits of microfinance loan participants over nonparticipants.
B. McKnelly & K. Lippold (1998)	Practitioners Impact Assessment: A Test in Mali (1998)	Mali	Sample size of 94 one year, two-year and incoming clients.	Interview survey was conducted. EpiInfo, a simple statistical	The more the circles/rounds of participation in micro financing, the more the

				package was used to analyse the survey study.	income.
D. Karlan (2001)	Microfinance Impact Assessment: The Perils of Using New Members as a Control Group.	Not applicable	Not applicable	Conceptual paper based on the critique of cross-sectional data on treated and control groups for microfinance impact assessment.	Participants' skill in entrepreneurship always enhances prompt loan repayment and business profit.
G. Alenxander (2001) as cited in (Goldberg, 2005)	An Empirical Analysis of Microfinance: Who are the Clients?	Peru	Not applicable	Longitudinal data from Assessing the Impacts of Microenterprise Services (AIMS) project	Confirms that microcredit assists the poor.

Smahi and Benhabib (2011) are investigating the impact of microfinance on poverty in rural areas of Algeria. The study used a sample of 429 beneficiaries of microfinance loans and examined a regression method with at least two squares in order to assess the effect on gender, education, housing, age and spending. It was concluded that the impact of micro finance is less significant in reducing poverty in Algeria. In the same context, Hennes and Lensink (2011) are trying to identify the impact of microfinance on the socio-economic situation of the poor in developing countries and confirm its sustainability and scope. The document considers that access to finance can contribute to revenue increase, asset accumulation, household consumption improvement; and can reduce exposure to diseases, droughts and bad crops.

It can also improve the level of education, health status and housing facilities. The study postulated that MFIs based on individual bases primarily focus on richer clients to cover their operating costs. Hence, it was stated there is a link between the scope of the microfinance (sustainability) and the sustainability (encouragement) and that it has contradictory objectives. Also, in its study of one area in Pakistan on the impact of microfinance and poverty reduction, Ayuub (2013) concludes that microfinance contributes significantly to poverty reduction, rising living standards and incomes, appropriately strengthening and reviving the economy.

This is in line with the studies of Kashif, Durrani, Malik, Scholar and Ahmad (2011), who added that microfinance could contribute to improving the commercial performance of the user. Together with the same line, Shane (2004) confirms that microfinance can increase the well-being of the borrower by raising the education of children and the consumption of health services. In assessing the impact of microfinance on the Millennium Development Goals in Pakistan, Setboonsarng and Parpiev (2008) note that microfinance has a positive impact on production capacity, consumption, assets and income.

In another development, Islam, Nguyen and Smith (2015) conducted a study on the impact of the microfinance loan on indebtedness of households from informal sources in the economic system in the village of Bangladesh. The study used panel data for a period of twenty years (1987-2008) with a primary survey of 1,240 rural households conducted in 1987-1988 in 62 villages located in 57 of the 64 regions of Bangladesh. By using the method of matching the results of the inclination analysis, the results showed that access to the microfinance loan reduces the demand for informal loans, increases women's indebtedness to consumption and encourages debtors to change the salary of independent

businesses due to the reduction in the price of capital. The method of matching the results of inclination (PSM), Arun, et al. (2006) used a nationwide household data cross-section in 2001 to measure the impact of micro finance on poverty reduction in households in India. The result has shown that microfinance can play an important role in reducing urban and rural poverty in India.

In his Microfinance and Poverty Survey, Khandker (2005) used a Bangladeshi data panel to measure the effect of microfinance on poverty reduction. The results of the survey show that having the opportunity to use microcredit leads to poverty reduction, especially for female participants, and also contributes to reducing poverty during the study. Therefore, he concludes that micro finance not only helps the poor participants, but also contributes to the development of the local economy. Pati and Lyngdoh (2010) assessed the socio-economic impact of micro finance on individual families in Meghalaya, northeastern India. The study used the PSM and Differ in Differences (DID) method to analyze data collected by 150 clients and 75 non-clients (all women) from microfinance banks.

The results showed that the microfinance loan significantly increases revenues, costs, savings, social assistance, education, health, capacity building and access to social services for clients and non-clients. In a similar study, Xhemal (2008) assessed the socio-economic impact of microfinance in Pakistan. The DID method was used to analyze data comprised of 3,400 debtors and non-borrowers from six major microfinance institutions in Pakistan. The identified explanatory variables include costs, education for children, empowerment of women, means, health status, household size, dependency index; and the characteristics of the head of the family, such as age, education, and wealth.

The results of the analysis confirm that microfinance generates income and calms consumption. There is also an increase in the number of enrolled school children, but a decrease in women's empowerment. Household consumption or per capita expenditure is another dimension to measure the impact of microfinance on poverty. Ifelunini and Wosowei (2012) are investigating the role of microfinance in reducing poverty among women entrepreneurs in southern and southern Nigeria. The data were collected from 400 respondents, of which 200 beneficiaries and 200 non-users in eight local authorities in the area.

To analyze the data, the logical model, the matching of the results of the inclination and the instrumental variables methods were used. The explanatory variables for the study include age, household size, education, marital status, working hours and place of residence. The result of the study showed that access to microfinance has a positive impact on the capital costs of women entrepreneurs; while the places of residence and the size of the household have a negative impact on the costs per capita; education has a positive effect on the latter. Health is another dimension of poverty that can be used to assess the impact of the microfinance loan. Mohindra and Haddad (2005) used a conceptual framework supported by Sen's ability to assess the impact of participation in microfinance programs on health status, in particular women's well-being.

It is assumed that the increase in revenue as a result of participation in microfinance loans can help reduce the risks to women's health; how people in poverty are often prone to ill health. The study identified variables such as access to drinking water, good sanitation, adequate housing, access to economic resources and access to public goods and services as part of the decisive factors for low health risks. The study concludes that microfinance is a

promising intervention program to improve the capacity of women in health. The more the woman participates in the program, the more inclined to achieve good health.

Afran (2002) also assessed the impact of microfinance interventions on users in Ghana and South Africa. Variables such as sales, assets, income, costs, water, toilets, number of occupied premises, housing; food or nutrition and education were used to measure the welfare of lenders in Ghana and South Africa. Although the study was reviewed before and after the event, it did not include the control group (non-users). This serves as an obstacle to comparing the counterfeit situation with the actual conditions of the target group.

The study also devotes less attention to family and religious issues. All of this is considered in this study, which creates another opportunity to fill the identified gap and make a literary contribution to sub-Saharan Africa. Afrane (2002) concluded that microfinance programs were successful in improving the well-being of beneficiaries, as small loans increased revenues for a short period of 8 to 12 months, and female performances were greater than men. Men This supports the findings of Pitt and Kender (1996) that assess the impact of Grameen Bank and similar specific credit programs in Bangladesh. In this study, a quasi-experimental multipurpose examination of households in 87 villages in the rural part of Bangladesh was conducted. The results found that as a result of participation in the microfinance program, there was an improvement in the incomes, well-being and the position of the funds, consumption, enrollment of children in schools; and female participants have a greater impact on poor households than men.

In the process of assessing the impact of the micro finance loan for poverty reduction, the problem of bias in the choice of the user must be adequately controlled to avoid inaccurate results. Backing this vision, Coleman (1999) examines the impact of group loans in

northeast Thailand by using panel data with Tobit technique. The study compares borrowers (treatment group) with non-borrowers (control group) before and after the event and reviews variables such as experience, gender, education, domestic worker, age, assets, and home size. The results show that microfinance loans have little impact on users, did not have a significant impact on the holding of assets but had a negative impact on the loan on health status, and lenders became worse because they borrowed from another source to liquidate the bank's debt.

The study concludes that the loans were too small to be productive and hence insignificant impact on the well-being of borrowers. Measuring the scope and sustainability of the microfinance loan is considered as part of the impact assessment of the loan performance (Morduch, 2000). Coleman (2006) conducted an empirical study of the scope and impact of the micro finance loan for the poor in the northeastern part of Thailand. The study aims to find out what is the benefits of sponsorship for microfinance and how much it benefits. Variables such as assets, the value of credit savings, wealth, savings, income, health and educational status, household size, age, commercial assets and less debt were identified for measuring the impact.

2.3 Microcredit and Poverty Eradication

The present reality makes the issues of poverty reduction as one of the worldwide difficulties. The United Nations has made the principal plan of zero poverty in Sustainable Development Goals (SDGs) (UN, 2015). The World Bank (2016) characterizes poverty as poor livelihoods, poor training and wellbeing, and uncertain circumstance regarding

individual and salary. The United States Census Bureau characterizes poverty reduction as a condition where people or networks have no monetary assets and necessities to appreciate the base way of life and prosperity for a general public (Jeffrey, 2017). Announced by World Bank (2018), over the most recent couple of years the progression of poverty reduction decrease has hindered. From 2013 to 2015, poverty reduction declined by 0.6 rate focuses every year, slower than the 25-year normal decrease of a rate point every year. What's more, the 2018 estimate of 8.6 percent recommends that the rate of poverty reduction decrease has additionally eased back to not exactly a large portion of a point for each year among 2015 and 2018.

Different endeavors have been executed in diminishing and reducing poverty. In Malaysia, for instance the administration has been concentrating on poverty issues since 1971 through the New Economic Policy (NEP) and was incorporated into the Third Malaysia Plan (1976-1980) with the point of decreasing and eradicating poverty around then. What's more, different procedures, for example, proceeding with instruction, improving expectations for everyday comforts, and improving horticultural profitability are additionally being executed (Muhamed and Haron, 2011). Because of the government's endeavors, Malaysia has been accomplished poverty reduction destruction endeavors.

Generally speaking, level of the national poverty reduction frequency in Malaysia has reduced from 49.5 percent in 1970 to 0.4 percent in 2016 (Department of Statistics Malaysia, 2017 and EPU, 2015). In expansion, rate of poverty in urban and country territories in 2016 additionally reduced separately to 0.2 percent contrasted with 21.3 in 1970 and 1.0 percent contrasted with 58.7 percent in 1970 (Branch of Statistics Malaysia, 2017 and EPU, 2015). In numerous nations smaller scale credit projects have demonstrated

to be a viable instrument in discharging individuals from poverty reduction and have expanded their cooperation in the monetary furthermore, political procedures of society.

In this manner, the building up an innovative movement is one of the ways to deal with decrease poverty among poor people (Terano et al., 2015). The decrease of the poverty reduction through innovative exercises can bolster the endeavors in tending to the difficulties of poverty. A few investigations have appeared, the job of miniaturized scale credit is to build salary and to lessen poverty reduction. Rahman et al., (2009), Coleman (2006), Roslan et al., (2007) and Shaw (2004) was discovered that miniaturized scale credit is one of the significant plans for raising pay and lessening occurrence of poverty. Using small scale credit, it influences quicker in the pay development of member's monetary action especially among rustic networks. The job of miniaturized scale credit is likewise to decrease poverty and pay disparity among the network (Tchouassi, 2011).

This is because of miniaturized scale credit program in Malaysia expected to more effect in diminishing poverty. In Malaysia, the primary establishment offers smaller scale credit office is Amanah Ikhtiar Malaysia (AIM), set up in 1988 to offer a credit particularly to poor people and to enable them to set up a small scale endeavor. AIM is one of the foundations which loans credit for those out of luck and give monetary help to poor people, to be specific those with salaries beneath the poverty reduction line or the individuals who need to do financial exercises, for example, private company, instruction, and to buy of benefits for business extension (Syuhada Abdul Halim et.al, 2013).

Therefore, Yayasan Usaha Maju (YUM) and Tabung Ekonomi Kumpulan Usaha Niaga (TEKUN) was set up in 1988 and 1998 additionally offers smaller scale credit (Mokhtar and Ashhari, 2015). Small scale ventures are assuming a significant job to guarantee a

financial development in Malaysia. Henceforth, beginning from 2006, the Malaysian government have worked together with Bank Negara to urge progressively money related organizations to offer small scale credit items. Presently, there are seven business banks and three advancement banks that offer small scale credit (Loanstreet, 2018). Albeit numerous investigations demonstrate that smaller scale credit causes the poor to escape poverty, there is an inquiry how the smaller scale credit cans help to diminish poverty reduction in Malaysia contrasted with other casual small scale credit. While numerous investigations have demonstrated that smaller scale credit benefits destitute individuals escape poverty reduction, there is an issue of how far the miniaturized scale credit financing can diminish poverty reduction in Malaysia instead of subsidizing from other cash banks/agent merchants. This is on the grounds that there is another conclnsion said that smaller scale credit financing benefits just to rich the richer individuals and will further build poverty reduction among the network.

Seng (2018) contended that the member of smaller scale credit financing is compelled to hold up under high month to month pay in this manner influencing their family unit's poverty. Likewise, Beck et al. (2004) guaranteed that a large portion of the poor are progressively subject to the casual money related plan, for example, acquiring from families, relatives and companions. Furthermore, we realize that there are numerous perspectives to learn about the small scale credit program for business enterprises in Malaysia. Along these lines, this investigation endeavored to discover the viability of microcredit program in poverty reduction lightening towards accomplishing manageability advancement objectives in Malaysia.

2.4 Poverty

The world's population is rising rapidly and the rich become richer, while the poor are becoming increasingly marginalized. Therefore, the inequality in the population is rising. During the years of liberalization, it was believed that this led to economic growth and was therefore good for development. Despite this, the survey shows that the evidence is mixed; Hence, new measures and strategies for poverty reduction have been developed. Multinational companies expanded their activities and sought opportunities to use various commercial strategies around the world. Foreign direct investment has grown in recent decades, and the question is whether this strategy is bad or good for the poor.

The promise is that multinationals have a positive impact on poverty when investments occur in sectors where poor people are involved and that this can be the solution to getting people out of poverty. In addition, innovative business strategies have recently been developed to reduce poverty. But in order to reduce poverty, the concept must be properly defined. With greater attention to poverty through the continued development of poverty reduction measures, it is even more important to know what poverty is than ever before (UNDP, 2006). This first part of this chapter provides an overview of the poor population and how to measure it, and where most of the poor population is located. In the next section, we briefly look at the global efforts and the role of governments. The last section summarizes the actors involved in poverty reduction and represents the link between global trade strategies and poverty.

2.4.1 Definition of poverty

Understanding Poverty was a great human debate for many centuries. Since the 1880s, three alternative poverty concepts have developed as a basis for international and comparative work and are mainly dependent on the ideas of existence, basic needs and relative deprivation (UNDP, 2006). After the World Summit on Social Development in Copenhagen in 1995, 117 countries adopted a declaration and action program that included commitments to eradicate "absolute" and reduce "general" poverty. Absolute poverty was defined as

"a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services" (UN, 1995)

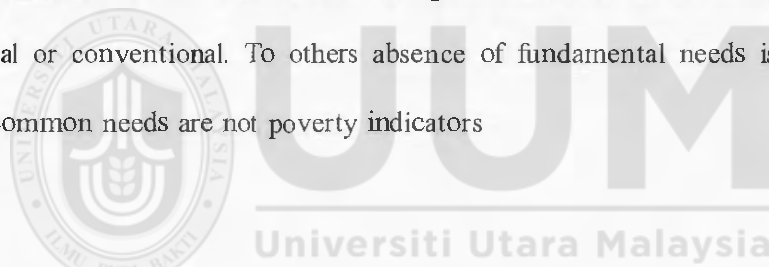
Overall poverty takes various forms, including

"lack of income and productive resources to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments and social discrimination and exclusion. It is also characterized by lack of participation in decision making and in civil, social and cultural life. It occurs in all countries: as mass poverty in many developing countries, pockets of poverty amid wealth in developed countries, loss of livelihoods as a result of economic recession, sudden poverty as a result of disaster or conflict, the poverty of low-wage workers, and the utter poverty of people who fall outside family support systems, social institutions and safety nets" (UN, 1995).

Then, 3 years after the World Summit in Copenhagen the UN developed a more general definition on poverty that does not distinguish between the levels of poverty:

“Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation” (UN, 1998).

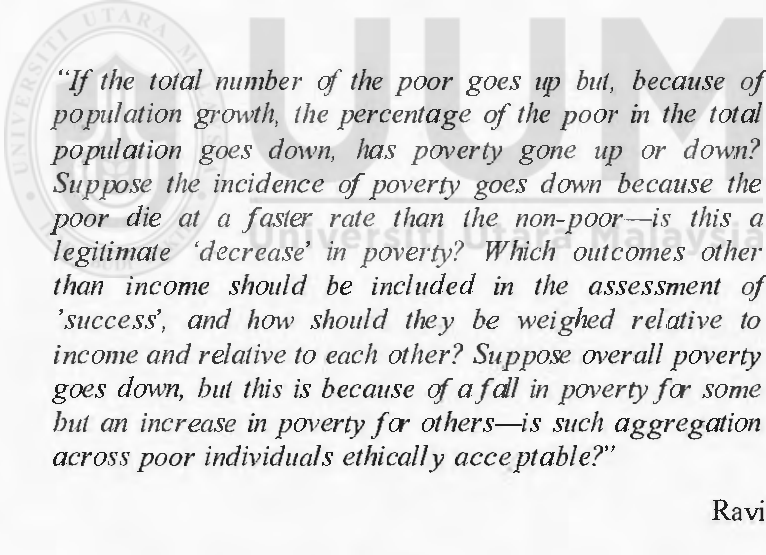
Notwithstanding, poverty is relative, what an individual should think about as poverty may not be poverty to other people. That is the reason it has various measurements by some people if they are experiencing poverty or not. Subsequently, poverty is characterized as circumstance where individual is denied or neglect to meet his or her need, the need might be essential or conventional. To others absence of fundamental needs is poverty while social or common needs are not poverty indicators



2.4.2 The Poor Population

Definitions of poverty are simple in theory. However, the identification of poor people and the measurement of the number of poor people in reality proved difficult. In addition, there are national differences and regional differences in defining and measuring poverty, for example, one person may be bad according to world standards, but not in comparison with his compatriots or neighbors. Even in the relatively poor countries, this concept of poverty existed and it is important whether a person is poor in relation to his fellow citizens or, as Adam Smith says, whether it can appear publicly without shame. To measure poverty reduction measures, this should be defined, followed by the choice and assessment of poverty lines and poverty indicators.

However, this is not as easy as it may seem in practice. Some of the problems arising in the measurement of poverty are lack of data, inconsistencies in data sources, poor comparisons between studies, and errors in direction due to overlapping problems between different approaches; with the result that different people are identified as poor; depending on the approach used. A notion that is often ignored when analyzing the number of poor people is the total population and the fact that the number of people in the last century has increased enormously. This can be demonstrated by examining some of the issues presented by Ravi Kanbur (2004) to illustrate the discussion of the assumptions that underlie standard poverty measures:



"If the total number of the poor goes up but, because of population growth, the percentage of the poor in the total population goes down, has poverty gone up or down? Suppose the incidence of poverty goes down because the poor die at a faster rate than the non-poor—is this a legitimate 'decrease' in poverty? Which outcomes other than income should be included in the assessment of 'success', and how should they be weighed relative to income and relative to each other? Suppose overall poverty goes down, but this is because of a fall in poverty for some but an increase in poverty for others—is such aggregation across poor individuals ethically acceptable?"

Ravi Kanbur

Growth, Inequality and Poverty: Some Hard Questions (2004)

Significance and measurement of poverty has changed since the 1960s, when poverty was economically determined, and the living standard was measured as per capita income. Then came the capacity approach, and later the concept was developed in today's

vision which is a multidimensional vision of poverty. Multidimensional poverty refers to the idea that poverty is more than insufficient income or deprivation of material resources, and also includes the lack of opportunities for access to education, basic medical care, drinking water or affecting political processes and other important factors for people (UNDP, 2009). The development of the concept of poverty is illustrated in the table below (Sumner, 2007).

Table 2.2
The development of the concept of poverty

Period	Concept of poverty	Measurement of poverty
1960s	Economic	GDP per capita growth
1970s	Basic Needs (inc. economic)	GDP per capita growth+basic goods
1980s	Economic	GDP per capita
1990s	Human development (inc. economic)	UNDP Human Development Indices
2000s	Multidimensional 'freedom'	Millennium Development Goals

Source: Sumner (2007)

Sumner (2007) emphasized on the development of poverty concept which divided into five period of time starting from 1960s until 2000s. Poverty concept has been introduced in 1960s with the concept of economics and it was measured by GDP per capita growth and the development had extended into basic needs including economics but the measurement had added basic goods as part of the measurement in 1970s. However, the concept is back to early concept of poverty which was economic and measured by GDP per capita. On the other hand, the concept has changed into human development which included economic in the concept and measured by UNDP Human Development Indices

and extended to Multidimensional 'freedom' concept and it was measured by Millennium Development Goals.

The most important criteria for an indicator of poverty are that it should be easy to use, cheap and easy to assemble and cannot be easily manipulated, based on the universal perception of poverty and will be a simple, direct, measurable and unequivocal force (Sumner, 2007). The current concept of poverty is a multidimensional and key indicator of the Millennium Development Goals (MDGs), which are part of the Millennium Declaration, developed by the UN in 2000, and will be explained in more detail in Section 2.2. 1 However, while the concept of poverty today is multidimensional, monetary poverty measures still hold key indicators of position and policies (Sumner, 2007). According to Sumner, the perception among those responsible for formulating the policy is that the measures of economic poverty are more objective or accurate, and therefore still dominate the measures of poverty (Sumner, 2007). In economic approach, the poverty line is widely used, while in the access approach, the human development index is used to measure poverty, so that the two approaches will be considered.

2.4.3 The Poverty Line

A central indicator of income from poverty and consumption measures is the poverty line, the critical value under which the individual or household is determined to be poor. Poverty measures based on an international poverty line are trying to keep the true value of the poverty line constant in all countries, as it is done when making comparisons over time. However, countries set their poverty thresholds on different thresholds, making

international comparisons of poverty difficult. To compare poverty among countries, a coherent international poverty line for poverty measurement must be used. Such a universal line is generally not suitable for analyzing poverty in a country. For that purpose, it is necessary to build a specific poverty line for each country, and it is possible that the poverty line can be adjusted for different locations in one country (UNDP, 2006).

In 1990, the World Bank implemented a standard poverty line to measure extreme poverty in developing countries. In an effort to quickly define poverty, the measure was set at \$ 1 a day for poor countries, known as the poverty line "dollar a day," and this measure is widely used today. However, an important idea to keep in mind is that a dollar in 1990 is not a dollar in 2010. Today, the poverty line of \$ 1.25 a day measured in prices in 2005 replaces the poverty line of \$ 1.08 a day measured in 1993 prices (UNDP, 2006). However, this new poverty line is about 14 percent lower than the previous international poverty line, which in 2005 was \$ 1.45 (World Bank).

Consequently, the poverty line must be used early, and the dollar used in the survey must be carefully clarified. Another discussion is about the differentiation of people who live with less than 1 or 2 dollars per day. Obviously, this will yield different results, and for poor people who live with \$ 2 instead of \$ 1 a day can have a major impact on their lives, so using the \$ 2 poverty line gives a more accurate statement from the poor. It is clear that there are disagreements with regard to this measure, in this document we use \$ 1, \$ 1.25 and \$ 2, for the sake of simplicity, as well as to illustrate the different results obtained by applying one instead of the other.

In general, 1, 1.25, 1.45 or 2 dollars, this measure is widely accepted as an international standard of poverty. In practice, as well as the definition of poverty, the official or shared

understanding of the poverty line is significantly higher in developed countries than in developing countries. International poverty estimates are available only for low- and middle-income countries. Some high-income countries also report poverty indicators, but the poverty line of one dollar per day is not relevant, so it is not applicable to high-income countries (UNDP, 2006). This poverty line corresponds to the value of the poverty lines used in some of the poorest countries and is useful for the production of global aggregates of poverty, as it assesses the possibility of buying a basket of similar products around the world (UNDP, 2006).

Nevertheless, the poverty line is based on commodity prices that are not representative of the consumer's baskets of the poor, so they cannot fully reflect the comparative price of goods that are usually spent by the poor. As a result, there is no certainty that the international poverty line measures the same degree of need or seizure in countries. Together, this indicator may have been suitable for practical purposes, but it has not been shown to be a continuous value (UNDP, 2006).

2.6 Underpinning Theory- Marxist Theory on Poverty

This study focusing on the economic environment which societies developed and he believed society is divided into two types; those who producing wealth and those who do not producing anything which leads to social conflict between these statuses. Marxist also stressed on poverty which poverty and wealth are an inevitable impact due to capitalist society also he sees poverty benefits those who are at the top of society class while low

class society will be the workforce for them although low salary offered to low class society.

Therefore, this event leads to unemployment and job insecurity whereas the worker could be placed by willing and unwilling people if they are quit from job also this shows the existence of few riches and more poor people in the society (Cunningham, 2007; Kincaid, 1973). In the Marxist theory, poverty is part of description of poverty in the capitalist society which cause inequality in the system of class nonetheless few poverty alleviation efforts attempted by egalitarian socialist although it has replaced the capitalist system (Cunningham, 2007). Next, Marxist has identified poverty source in the structural nature of society which is welfare system as the cause of wealth inequalities.

This kind of event is similar to capitalist society if the poverty is properly managed in order to assist the poor out of poverty. Social worker in the society can be seen as state instrument which help in maintaining status quo in the society and they also help poor people to adjust the difficulties through services provided or listening ear in order to shifted away the main cause of the problem. Thus, this will maintain the poor people status in the society as they internalize their own failures.

In addition to that, social workers have limited understanding on the complex processes which generating and maintaining poverty that could affect their daily routine with poor people and it proved that they failed to prioritize poverty in their agenda in the aspects of theory, education, policy and practice (Becker, 1997). Social workers also believe by intervening individual level is better than the structural level as they only possess small strategic plan on poverty (Becker, 1997). Nevertheless, studies on poverty focusing on

social workers discovered cultures of organization had restraint changes being applied in the society and it is impossible to be applied at the structural level.

Thus, this study will apply theory in poverty research which focusing on the society and poverty. In other words, society that would accepts inequality are more likely to experience poverty in the first place and poverty implies insufficient materials and resources of an individual or group.

2.7 Summary

The literature reviews are based on the previous studies and prominent scholar discussions. The details of literature reviews were discussed thoroughly in the aspects that related to the variables of the elements. The next chapter of the study will discuss on the methodology of the study in details includes the methods, questionnaire and the instruments as well.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This is the chapter which will discuss on the methodology of the study in order to achieve the objectives of the study. In this chapter, the study will discuss on the sampling design and population of the study. On top of that, the study also will focus on the measurement of dependent and independent variables which will be explained in detail.

3.2 Population and Sample

The population of the study is the individual whom will participate in this study and the respondents are those who live in Kulim, Kedah. According to Hair et al. (2006) stated that sample can defined as portion or subject of a large group or population. For this study, based our calculation on the total population of Kulim, Kedah state, numbers of sample 382 is adequate as emphasized by Krejcie and Morgan (1970).

3.3 Data Collection Method

In this study, self-administered questionnaire was selected as the method of data collection.

Milne (1999) emphasized the advantages of choosing questionnaire are;

- a) The responses are gathered in a standardized way, so questionnaires are more objective, certainly more so than interviews.
- b) In general, it is relatively quick to collect information using a questionnaire.
- c) Potentially information can be collected from a large portion of a group.

3.4 Questionnaire

In this study, the questionnaire will be divided into four parts. Part A asking about demographic background, Part B asking about poverty alleviation, Part C asking about occupation changed, Part D asking about standard of living and Part E asking about poverty. Due to lack of English proficiency among respondents' resident which most of them are Malay, the questionnaire for this thesis written in Malay language (Bahasa).

3.5 Data Collection Process

A total of 382 questionnaires will be distributed to the respondents in Kulim, Kedah and the respondents are the youth whom living in the area of Kulim, Kedah. The numbers of respondents determined by using the table of Krejcie and Morgan (1970) which stated the suitable numbers of sample is 382 respondents for this study as the number of resident is more than 317 000 people in Kulim, Kedah.

3.6 Research Framework

This study indicates independent variable; Microfinance whilst dependent variable is; Poverty Eradication which microfinance will lead to the establishment of Poverty Eradication Programs in Malaysia. Poverty Eradication Programs established in Malaysia is caused by the increasing level of poverty in the urban area that getting worsen from year to year. Hence, there is a need for a study to execute a research in order to examine the relationship between microfinance that lead to the establishment of poverty eradication programs in Malaysia.

3.7 Hypotheses Development

The purpose of this research is not to develop a new theory, but to investigate the research questions based on empirical research and primary data. Moreover, in this study, we will generate hypotheses from theories and then, we will use empirical research and primary data to test the hypotheses. However, when we will describe our conclusions, we will also apply our finding.

Table 3.1
Hypotheses development

H ₁	Poverty alleviation has positive relationship on Poverty
H ₂	Income and living standard has positive relationship on Poverty
H ₃	Occupation change has positive relationship on Poverty

3.8 Development of the Instrument

The constructs of the questionnaire will be created in order to examine the relationship microfinance towards poverty eradication programs. We address the question in examining the positive or negative effects by using the questionnaire and analysis methods of SPSS. The questionnaire will be distributed to the respondents whom live in Kulim, Kedah and there will be 5 sections; a) demographics details, b) microfinance and c) poverty eradication programs. The development of the questionnaire was adapted from the previous studies and the measurement used in the study is the Likert Scale Method which respondents indicate their agreement or disagreement based on a five-point scale; Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree.

3.9 Summary

This chapter presented the methodology of research in the study which describes the procedures that will be used in conducting the study, this is including the design of the research, survey selection sample, the development of the instrument in collecting data and instrument development. Data collection procedure that includes the population survey and sample size procedure. In analyzing the data, the study will apply the Statistical Packages for Social Sciences in analyzing the data for the purpose and benefit of the study. Finally, the next chapter will discuss on the data analysis, results and discussion.

CHAPTER FOUR

FINDINGS

4.1 Introduction

This chapter is a chapter that will discuss on the analysis based on the findings of the study. Data analysis is divided into three phases which are; feedbacks rate and data cleaning (first phase), descriptive analysis (second phase) and regression and correlation (third phase). These three phases will answer all research questions and assess hypotheses which developed through research process.

Analysis on collected data started with preparation of data after data collection process followed by data cleaning and type of analysis on data which determined in the chapter three. Assessment on the hypotheses followed by employing Statistical Package for Social Science (SPSS) version 22 as a tool in analyzing the data. The purpose of choosing SPSS as a tool in analyzing data because of it is designed for assessing descriptive data and hypotheses to determine the significance of relationship between variables.

4.2 Respondents Feedbacks

As emphasized in the previous chapter, data collection executed in the Kulim District of Kedah State took six months to complete the process and 330 questionnaires were distributed during this process. Nonetheless, 285 out of 330 questionnaires were complete answered and usable to be analyzed in the data collection process. Table 4.1 showed the

percentages of questionnaires and numbers of questionnaires collection during pre and post data collection.

Table 4.1
Questionnaire Feedbacks

Dimension	Total	Percentages
Distributed Questionnaire	330	100.0 %
Retrieved Questionnaire	285	86.4 %
Usable Questionnaire	285	86.4 %

4.3 Demographic Analysis

This section explains on demographic profile of respondents in this section involved 350 respondents which obtained after data collection period and divided into several kinds of demographic profiles such as gender, religion, racial, age, marital status, education level, income, numbers of children, numbers of children still studying and numbers of family members. Table 4.2 explains on the descriptive statistics of genders.

Table 4.2
Frequency and Percentages of Genders

Gender	Frequency	Percentage (%)
Male	84	29.5
Female	201	70.5

As shown in Table 4.2, percentage of male respondents is 29.5 percent (84 respondents) and numbers of respondents of female is 201 percent (70.5 respondents). Total numbers of respondents matched with numbers of frequency as shown in the table above.

Table 4.3
Frequency and Percentages of Religion

Religion	Frequency	Percentage (%)
Muslim	160	56.1
Hindu	39	13.7
Christian	22	7.7
Buddha	64	22.5

Table 4.3 showed percentages and frequencies for Religion dimension which consisted of four types of religion identified in the study-. First, data collection showed 160 respondents are Muslim with the percentage of 56.1 percent followed by Hindu with percentage 13.7 percent or 39 respondents. Third dimension for religion profile is Christian with 22 respondents or 7.7 percent and for Buddha with percentage of 22.5 percent and 64 respondents.

Table 4.4
Frequency and Percentages of Age

Age	Frequency	Percentage (%)
20-25	12	4.2
26-30	27	9.5
31-35	120	42.1
36-40	63	22.1
>40	63	22.1

Table 4.4 showed percentages and frequencies for Age dimension which consisted of five range of age in the study-. First, data collection showed 12 respondents are between age 20-25 with percentage of 4.2 percent followed by age between 26-30 with percentage 9.5 percent or 27 respondents. Third dimension for age profile is 31-35 with 120 respondents or 42.1 percent and for 36-40 with percentage of 22.1 percent and 63 respondents. Lastly, dimension for age profile is more than 40 years is 63 respondents and 22.1 percent.

Table 4.5
Frequency and Percentage of Racial

Religion	Frequency	Percentage(%)
Malay	147	51.6
Chinese	44	15.4
Indian	18	6.3
Others	76	26.7

Table 4.5 showed percentages and frequencies for Racial dimension which consisted of four types of racial identified in the study-. First, data collection showed 147 respondents are Malay with the percentage of 51.6 percent followed by Chinese with percentage 15.4

percent or 44 respondents. Third dimension for racial profile is Indian with 18 respondents or 6.3 percent and for others with percentage of 26.7 percent and 76 respondents.

Table 4.6
Frequency and Percentage of Education Level

Religion	Frequency	Percentage (%)
No formal education	9	3.2
Primary	78	27.4
Secondary	114	40.0
Higher education	84	29.5

As shown in Table 4.4, Education Level among respondents of the study indicated most of the respondents' education background are secondary level with percentage of 40.0 percent or 114 respondents. This followed by higher education level with frequency of 84 respondents or 29.5 percent and primary level with percentage of 27.4 percent or 78 respondents. Lastly, no formal education level indicated 3.2 percent or 9 respondents only.

Table 4.7
Frequency and Percentage of Marital

Marital Status	Frequency	Percentage (%)
Single	72	25.3
Married	173	60.7
Widow	19	6.7
Widower	21	7.4

Table 4.7 indicated marital status among respondents in Kulim District in Kedah State which consist of four categories; single, married, widow and widower. Data collection indicated respondents with single status with 72 respondents or 25.3 percent and married

respondent indicated 173 respondent or 60.7 percent of the sample in the study. This followed by widow with percentage of respondent 6.7 percent or 19 respondents and widower respondents indicated 21 respondents or 7.4 percent.

Table 4.8
Frequency and Percentage of Income

Income	Frequency	Percentage (%)
RM300-RM600	18	6.3
RM601-RM900	45	15.8
RM901-RM1200	135	47.4
RM1201-RM1500	78	27.4
RM1501 and above	9	3.2

According to Table 4.8, the table indicated levels of income among respondents in Kulim District in Kedah State started with RM300-RM600 with 18 respondents or 6.3 percent followed by RM601-RM900 with 45 respondents or 15.8 percent. Next is income of respondents between RM901-RM1200 with numbers respondent of 135 and 47.4 percent. The data indicated income between RM1201-RM1 500 with percentage of 27.4 percent and 78 respondents while respondents with income of 1501 and above indicated 9 respondents or 3.2 percent.

Table 4.9
Frequency and Percentage of Numbers of Family Members

Numbers offamily members	Frequency	Percentage (%)
1-2	9	3.2
3-4	36	12.6
5-6	138	48.4
7-8	102	35.8

As shown in Table 4.9, number of family members indicated 9 respondents or 3.2 percent of respondent have 1-2 family members and 36 respondents or 12.6 percent of respondents have 4-6 family members. This followed by 5-6 family members with numbers of respondents 138 or 48.4 percent and 7-8 family members with 35.8 percent or 102 respondents.

Table 4.10
Frequency and Percentage of Children Still in School

Numbers of Children Still in School	Frequency	Percentage (%)
1-2	9	3.2
3-4	57	20.0
5-6	174	61.1
7-8	45	15.8

Table 4.10 indicated four categories of children still in school which are 1-2, 3-4, 5-6 and 7-8. First category is 1-2 children still in school with number of respondents of 9 respondents and percentage of 3.2 percent. This followed by 3-4 children still in school with 20.0 percent or 57 respondents and 5-6 children still in school with numbers of 174

and percentages of 61.1 followed by respondents of 7-8 children still in school of 45 respondents or 15.8 percentages.

Table 4.11
Frequency and Percentage of Numbers of Children

Numbers of Children	Frequency	Percentage (%)
1-2	9	3.2
3-4	66	23.2
5-6	108	37.9
7-8	63	22.1
9 and above	39	13.7

Table 4.11 indicated five categories of numbers of children which are 1-2, 3-4, 5-6, 7-8 and 9 and above. First category is 1-2 numbers of children with number of respondents of 9 respondents and percentage of 3.2 percent. This followed by 3-4 numbers of children with 23.2 percent or 66 respondents and 5-6 numbers of children with numbers of 108 and percentages of 37.9 followed by respondents of 7-8 numbers of children of 63 respondents or 22.1 percentages. Lastly, the figures indicated 9 and above numbers of children with 39 respondents and 13.7 percent.

4.4 Reliability Analysis

Measurement of internal consistency and scale reliability on independent and dependent variables called as Cronbach Alpha which the value of this scale will determine the quality of variables. Lowest reliability value between 0.6-0.79 and the highest value is 0.8-0.89 will indicates the homogeneity of the variables.

Table 4.12
Reliability

Variables	Numbers of items	Cronbach Alpha
Poverty Alleviation	5	.966
Income and Living Standard	5	.939
Occupation Changed	5	.890
Poverty	14	.972

As shown in Table 4.10, reliability values for variables indicated above 0.7 and this showed that these variables are reliable and acceptable for this study. Reliability value for poverty alleviation is .966 followed by income and living standard (.939), occupation changed (.890) and poverty (.972).

4.5 Correlation Analysis

This section will discuss on correlation analysis to determine relationship between independent variables (poverty alleviation, income and living standard and occupation changed) and dependent variable (poverty). In order to employ Pearson correlation analysis, data analysis will be determined on the values between 1 and -1 as this value will explain on strength of relationship between independent and dependent variables. The value of Pearson correlation can be categorized into three types; low, medium and high based on the values and Table 4.11 indicated Pearson values in the study.

Table 4.13
Pearson Correlation Analysis

		Correlations			
		Poverty	Poverty_ Alleviate	Occupation _Changed	Income_ Standard of living
Poverty	Pearson	1	.789**	.840**	.841**
	Correlation				
	Sig. (2- tailed)		.000	.000	.000
Poverty_Al leviate	N	285	285	285	285
	Pearson	.789**	1	.973**	.986**
	Correlation				
Occupation _Changed	Sig. (2- tailed)	.000		.000	.000
	N	285	285	285	285
	Pearson	.840**	.973**	1	.969**
Income_St andard of liv ing	Correlation				
	Sig. (2- tailed)	.000	.000	.000	
	N	285	285	285	285
Income_St andard of liv ing	Pearson	.841**	.986**	.969**	1
	Correlation				
	Sig. (2- tailed)	.000	.000	.000	
Income_St andard of liv ing	N	285	285	285	285

****.** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.01 level (2-tailed).

Findings of the study indicated positive relationship between independent and dependent variables in this study and significant and not significant ($p < .01$). The findings also indicated that poverty alleviation, income and living standard and occupation changed are significant to poverty. This showed poverty alleviation, income and living standard and occupation changed have significant relationship towards poverty.

Hypothesis (H1): Poverty alleviation has positive relationship on Poverty

Finding of this study indicated positive relationship between poverty alleviation and poverty also the result showed it is significant as $p < 0.05$. The r value in the study $r = 0.789$ and this showed positive relationship and high correlation between poverty alleviation and poverty.

Hypothesis (H2): Income and living standard has positive relationship on Poverty

Income and living standard in this study has a significant impact and positive relationship towards poverty with the value of $r = 0.840$, $p < 0.05$. This also showed that this variable is has high correlation and significant relationship on poverty.

Hypothesis (H3): Occupation change has positive relationship on Poverty

Based on analysis in the study, finding indicates positive and significant relationship between occupation changed and poverty. The values in the finding $r = 0.841$ and $p < 0.05$ showed positive and significant relationship also high correlation between independent and dependent relationship in the study.

4.6 Regression Analysis

In this section, analysis focused on the linear regression in assessing hypothesis in the study. Regression analysis employed in order to identify dominant factor between independent and dependent variables. R2 value is to determine factor percentage in contributing to dependent factor and beta value is to determine changed value in the analysis towards standard deviation.

Table 4.14
Regression Analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.904	.817	.815	.26964
a. Predictors: (Constant), INCOME_STANDARDOFLIVING, OCCUPATION_CHANGED, POVERTY_ALLEVIATE				

Based on Table 4.12, value of R is 0.904 for poverty alleviation, income and living standard and occupation change and R Square is 81.7% explained on independent variables towards dependent variable (poverty). This also explained that independent variables have positive and significant effects on poverty in Kulim District, Kedah State. High value in R Square showed high effects in contributing to poverty.

4.7 Conclusion

To conclude, this section explained on the findings which shown in the tables above. The finding also explained on the relationship between independent and dependent variable. On top of that, findings also support all the hypotheses as proposed in the previous chapters.



CHAPTER FIVE

DISCUSSION AND FINDINGS

5.1 Introduction

This chapter will focus on the whole findings of the study which matches to research objective, research questions and hypotheses as suggested in the previous chapter. Findings of the study will be discussed in the discussion section of this chapter especially on theory and practical of the study. Besides, limitation and recommendation for future study will be discussed in the next section and the finding will be strengthened by previous literature reviews.

5.2 Discussion on Findings of the Study

5.2.1 Inferential Analysis

This section will discuss on the relationship between independent and dependent variables of the study and the purpose of this analysis is to generalize the relationship in the sample of population (Jackson, 2015).

- a) To identify the relationship between microcredit program and poverty eradication rate
- b) To analyze the impact of microcredit in reducing poverty rate.
- c) To determine the effectiveness of microcredit on poverty

This study will employ inferential analysis to analyse relationship between microcredit and poverty in the study. Findings of the study on correlation analysis showed positive and significant relationship between microcredit and poverty which are the significant values are $r = .789, .840, .841, p < 0.05$. Besides that, regression analysis showed high regression at 81.7% which contribute to poverty alleviation with positive and significant relationship between microcredit and poverty alleviation in Kulim District., Kedah State.

Finding of the study indicated microfinance have positive and significant relationship with poverty. This indicated that there is a relationship between microfinance and poverty in this study also it is supported by previous study on the relationship of microfinance and poverty eradication program. Study by Hamad (2010) stressed that institution of microfinance could provide access to poor to get out from poverty and it can be served as bridge the obstacles of poor in accessing formal financial institutions.

Success story of microfinance in eradicating poverty can be seen in the origin of microfinance in the mid of 1970s by Muhammad Yunus and won the Nobel Prize for Peace 2006 with the establishment of Grameen Bank. Grameen Bank showed outstanding performance in serving and offering loans to 7.9 million borrowers as it become magnitudes in most of economics studies and poverty reduction agenda (Becker, 2011; Hamada, 2010; Zeller & Meyer, 2002). It also supported by Robinson (2002) which micro credit has become a powerful mechanism in eradicating poverty.

Based on the recent study in 2019 by David (2019) in their study titled *"The Impact of Micro Credit Finance on Poverty Alleviation in Ogun State"* indicated microcredit have a significant relationship with poverty alleviation in Ogun State. Micro credit plays significant roles in reducing poverty rate in most of the countries in the world and it is

relevant in transmitting the productivity of self-employment in the informal sector of the economy. On top of that, micro credit could help by creating opportunities for wage employment in agriculture especially in South and East Asia as majority of the world's poor live. Microcredit also could help small and marginal farmers to increase purchase of the inputs for their productivity by increase the financing range of activities also it plays important roles in their expenditures in improving agriculture and economic activities.

Furthermore, previous study by Akinlabi, Kehende and Jegede (2011) indicated that microfinance is important in alleviate poverty as they adopted the micro finance as the main source for poverty reduction by lending financial loan in increasing the fund in their productivity. It is significant to the poor as financial services enables them to engage in generating income activities or expanding their business to better performance (Irobi, 2008). In the earlier studies on micro-financing shown positive impacts and believed to be effective and powerful tool in reducing poverty in Nigeria (Adamu, 2007; Irobi, 2008; Wrigth, 2000; Zaman, 2000; McCulloch and Baulch, 2000). Hence, the findings shown all the hypotheses are accepted as it indicated significant and positive relationship between microfinance and poverty in this study.

Table 5.1
Hypotheses Results

H ₁	Poverty alleviation has positive relationship on Poverty	Accepted
H ₂	Income and living standard has positive relationship on Poverty	Accepted
H ₃	Occupation change has positive relationship on Poverty	Accepted

5.3 Implications of the Study

The discoveries of this study have suggestions for academics, policy makers and microfinance institutions. For academics, this study can decide the viability of microfinance on neediness. The finding of the study demonstrated that microfinance institutions assume indispensable jobs in lessening neediness level in the general public as microfinance advances empowers needy individuals to build their profitability contribution to producing benefits for the profits. This is significant as it could help them in distinguishing the correct components that concentrating on creating the pay and enables poor to out of destitution.

For the exact commitment, measurements of microfinance like changes in occupation, poverty alleviation and increase standard living and income are noteworthy in the investigations which underscored on reducing neediness in the engaged region. The result of the study uncovered that the effect of microfinance advance on the recipients is certain yet it needs improvement to upgrade sufficient welfare for the poor in Kulim District. For approach suggestions, this study has recognized that destitution in Kulim

District needs more consideration as it requires progressively money related aids with helping them to expand funding to buy more resources.

This view concurs with Diagne and Zeller (2001) that stipulates in addition to other things that, approaching microcredit by the poor may not yield victories without the arrangement of fundamental infrastructural offices and human capital advancement. All this would decrease destitution rates and make their administrations in the poor zones increasingly appealing and will empower them to infiltrate the towns additionally achieve the center of poor. To accomplish the target of neediness decrease, the government ought to force endeavors in their supervisory and administrative elements of the Microfinance Institutions that will smooth their tasks. Endeavors ought to be equipped towards the conveyance of steady administrations like instruction and preparing on business enterprise, increment in wellbeing offices and arrangement of other social administrations for jobless, poor and the individuals who are defenseless against destitution.

Considering the achievement made by micro finance projects to decrease destitution in other portions of the world, TEKUN needs to take sober minded measures to reduce destitution. To this end, it ought to be noticed that neediness is multidimensional; in like manner, its arrangement ought to likewise be various projects. Government ought to subsequently wage unending wars against destitution. It isn't only enough to diminish neediness however coordinated endeavors ought to be made to anticipate it. This must be accomplished through proactive measures and different projects, activities and strategies that are good with the advancement of the economy.

5.4 Limitation of Study

Based on the objective and findings of the study, limitation of the study that can be identified is the location, respondent and data collection method. As stressed in the study, location of the study located in Kulim District, Kedah State and the numbers of respondent is 382 based on Krejcie and Morgan (2010). However, this number is not the main problem except several points such as the location of the study which is small and some of respondents did not understand the vital points of the study. Respondents tends to answer the questions without having good understanding on the study and they might have less understanding to understand the questions. On top of that, data collection method might not succinct as it can be biased due to respondent might face some difficulties in answering the questions and they could skip some of the questions as occurred in the study which returned questionnaire is less than estimated number that is 382 questionnaires.

5.5 Recommendation

This study identified some recommendation for future study which this study lack of in some parts. For recommendations, future study suggest bigger size of population and location of the study. Location of study should be extent to some districts of whole Kedah State in order to obtain better data in the study as it will enhance the reliability and validity of the samples. Hence, future study should focus on the bigger location in enhancing the data validity. On top of that, method of analysis should be employed in two types which are quantitative and qualitative or qualitative only as it is important to enhance the findings by having good quality of data.

Future study also need to focus on the instrument and other dimensions which suitable to have better findings in the future. Instrument should be focused on the new instruments which might be good or suitable to have better understanding or outcomes. Other dimension must be taken into account as it could provide better understanding and outcomes as there are some points that could enhance better views on the outcomes.

5.6 Conclusion

In conclusion, this study found that independent variable contributed to poverty eradication programs and the results indicated positive and significant relationship between independent and dependent variables in the study. These findings also supported by previous studies which explained significant relationships between variables. Hence, findings of the study could help government and non-governmental bodies in strategize some plans in developing plans in eradicate poverty level in Kedah State.



EXAMINING THE RELATIONSHIP OF MICROFINANCE TOWARDS POVERTY

Mr/ Mrs / Mr / Ms

I am a Master candidate at the School of Economics, Universiti Utara Malaysia. The questionnaire attached is a part of research project designed to examine relationship of Microfinance towards Poverty. I would like to invite you to answer the questionnaire that included. Your feedback will be kept confidential. Only members of this study will have access to the information you provide. In order to ensure maximum confidentiality, every feedback and information about you will be kept confidential. Results of this study will be published as part of my Master project paper and also for the use of the higher education institutions and relevant organizations. However, the publication of the results of this study will not lead to the introduction of the respondents. To understand the information and related questions, you must be one of the managers or owners of small and medium organizations in Malaysia.

This questionnaire requires no more than 20 minutes of your time. Please return it back when you have finished answering. If you have any questions or problems, please contact me at (PLEASE INCLUDE YOUR PHONE NUMBER or email at (PLEASE INCLUDE YOUR EMAIL). The information you provide is very important for the success of this study. Thank you for your time and cooperation. I would appreciate your assistance in this study.

Thank you.

(NAME)

(COURSE)

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MASTER PROJECT PAPER UNIVERSITI UTARA MALAYSIA

This questionnaire consists of several parts. You are requested to answer all questions. There is no right or wrong answers. Please answer honestly and spontaneously as it is very important in the success of this study.

SECTION A: PERSONAL DATA

Please tick (/) in the box that describes your demographic. All information provided is *CONFIDENTIAL AND CONFIDENTIAL*.

Gender	<input type="checkbox"/>	Male	<input type="checkbox"/>	Female		
Religion	<input type="checkbox"/>	Muslim	<input type="checkbox"/>	Hindu	<input type="checkbox"/>	Christian
	<input type="checkbox"/>	Buddha				
Age	<input type="checkbox"/>	20-25	<input type="checkbox"/>	26-30	<input type="checkbox"/>	31-35
	<input type="checkbox"/>	36-40	<input type="checkbox"/>	> 40		
Racial	<input type="checkbox"/>	Malay	<input type="checkbox"/>	Chinese	<input type="checkbox"/>	Indian
	<input type="checkbox"/>	Others				
Education level	<input type="checkbox"/>	No formal education	<input type="checkbox"/>	Primary	<input type="checkbox"/>	Secondary
	<input type="checkbox"/>	Higher Education				
Marital Status	<input type="checkbox"/>	Single	<input type="checkbox"/>	Married	<input type="checkbox"/>	Widow
	<input type="checkbox"/>	Widower				
Income	<input type="checkbox"/>	RM300-RM600	<input type="checkbox"/>	RM601-RM900	<input type="checkbox"/>	RM901-RM1200

	<input type="checkbox"/> RM1201- RM1500	<input type="checkbox"/> RM1501 and above
Numbers of family members	<input type="checkbox"/> 1-2	<input type="checkbox"/> 3-4
	<input type="checkbox"/> 5-6	<input type="checkbox"/> 7-8
Numbers of children still in schools	<input type="checkbox"/> 1-2	<input type="checkbox"/> 3-4
	<input type="checkbox"/> 5-6	<input type="checkbox"/> 7-8
Numbers of children	<input type="checkbox"/> 1-2	<input type="checkbox"/> 3-4
	<input type="checkbox"/> 5-6	<input type="checkbox"/> 7-8
	<input type="checkbox"/> 9 and above	

SECTION B: EFFECTIVENESS IN ALLEVIATING POVERTY

Please tick(/) in the boxes provided to indicate the extent and agree or disagree with the following statements.

No.	Statement	Extremely Not Agree	Not Agree	Neutral	Agree	Extremely Agree
1.	Microfinance give opportunities to people to get out of poverty					
2.	There are lot of activities I could do after receiving financial assistance from microfinance					
3.	Microfinance assistance help me to increase the size of my business					

4.	Most of people have succinct basic needs					
5.	My life changed after receiving financial assistance from microfinance					

SECTION C: INCOME AND LIVING STANDARD

Please tick (/) in the boxes provided to indicate the extent and agree or disagree with the following statements.

No.	Statement	Extremely Not Agree	Not Agree	Neutral	Agree	Extremely Agree
1.	Terms and conditions set by microfinance providers are burdening people					
2.	Loan approved by microfinance providers are not enough					
3.	Microfinance assistance could help my family to increase family income					
4.	Microfinance assistance could help my family to increase quality of life					
5.	Microfinance should be extended to rural areas					

SECTION D: OCCUPATION CHANGED

Please tick(/) in the boxes provided to indicate the extent and agree or disagree with the following statements.

No.	Statement	Extremely Not Agree	Not Agree	Neutral	Agree	Extremely Agree
1.	Microfinance has changed my occupation					
2.	I am more confidence with the current job					
3.	Microfinance has helped me to increase my income					
4.	Microfinance has decreased the numbers of unemployment					
5.	I can create more jobs after receiving microfinance assistance					

SECTION E: POVERTY

Please tick(/) in the boxes provided to indicate the extent and agree or disagree with the following statements.

No.	Statement	Extremely Not Agree	Not Agree	Neutral	Agree	Extremely Agree
1.	Shortage of jobs in the Kulim					
2.	Because of the high level of taxation					
3.	Because of the low wages paid to workers					
4.	Because of a lack of economy and proper management of resources by the management					
5.	Because of the poor distribution of land in the state of Kedah					
6.	Because of exploitation by multinational companies					
7.	Because the people there are unwilling to change old ways and customs					
8.	Because of a lack of knowledge and ability among the people in the state of Kedah					
9.	I find myself facing financial problems					
10.	My income has increase after receiving financial assistance					
11.	My ownership has increase after receiving loan from microfinance assistance					
12.	My family basic needs are better than before					

13.	The quality of my life has increased after receiving loans					
14.	I am able to provide basic needs to my children after receiving financial assistance					



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